

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY QUITO

AMEMBASSY LA PAZ

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FOLLOWING REPEAT LIMA 884 ACTIONSECSTATE INFO BUENOS AIRES

DATED 2/03/75

QUOTE C O N F I D E N T I A L

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TO 11652: N/A

TAGS: EAIR, PE

SUBJ: CIVAIR CONSULTATIONS

REF: LIMA 0879

1. PRESS TREATMENT ON CIVAIR ISSUE WAS LIGHT FEBRUARY 1.
"LA PRENSA" CARRIED EDITORIAL TITLED "BRANIFF: PREPONDERENCE
OVERCOME" WHICH NOTED THAT BRANIFF HAD TRIED IN EVERY WAY
POSSIBLE TO MAINTAIN AND INCREASE ITS FREQUENCIES WHILE
INSISTING THAT REROPERU FLY ONLY SEVEN
TIMES WEEKLY TO MIAMI. "IT IS SURPRISING THAT MANY PERUVIANS
BELIEVE THERUMOR SPREAD BY THE REACTION THAT PERU WANTED
TO REDUCE BRANIFF'S FLIGHTS IN AN ARBITRARY MANNER.....AND
THAT THIS WOULD CONSTITUTE AN ATTEMPT AGAINST A FOREIGN
COMPANY THAT WAS SERVING PERU. THERE ARE STILL PERUVIANS
WHO DON'T NOTICE THE ABUSES OF CERTAIN FOREIGN COMPANIES
AND THEIR EVIDENT INTENSION TO GAIN BENEFITS AT THE COST OF
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PERU. THE PRESENT CASE WAS TRANSPARENT: BRANIFF WANTED TO

CAPTURE THE MAJORITY OF FLIGHTS BETWEEN PERU AND THE U.S.
AND PRESSED THAT AEROPERU CONTENT ITSELF WITH ONLY SEVEN
WEEKLY FLIGHTS."

2. EDITORIAL CONTINUED THAT PERU'S THESIS WAS DIFFERENT;
IF BRANIFF OPPOSED AERO PERU HAVING MORE THAN SEVEN FLIGHTS,
THEN BRANIFF ITSELF COULD HAVE NO MORE THAN SEVEN. THIS
OF COURSE WOULD MEAN A REDUCTION, BUT IT WOULD BE STRICT
RECIPROCITY FOR BRANIFF'S EFFORTS TO PREVENT THE EXPANSION OF
AEROPERU'S FREQUENCIES. IT WAS UNDER THESE CIRCUMSTANCES
THAT BRANIFF BROKE OFF TALKS WITH PERU AND LEFT THE COUNTRY,
THREATENING THE SUSPENSION OF ALL SERVICE AS OF FEBRUARY 1.
PERU'S RESPONSE WAS FIRM; IF SERVICE WERE INTERRUPTED,
NEITHER BRANIFF NOR ANY OTHER U.S. AIRLINE WOULD BE ALLOWED
IN PERU. GENERAL GILARDI HIMSELF MADE THIS DECLARATION.
TODAY PREPONDERANCE HAS BEEN DEFEATED. BRANIFF HAS ACCEPTED
THE CONDITIONS IMPOSED BY PERU AND WILL HAVE 16 FLIGHTS,
JUST AS AEROPERU WILL HAVE 16 FLIGHTS. "A JUST AGREEMENT
HAS BEEN REACHED. THE SOVEREIGNTY OF OUR COUNTRY HAS BEEN
IMPOSED. THE PREPONDERANCE OF A FOREIGN COMPANY HAS BEEN
DEFEATED."

3. MEETING WITH AMBASSADOR JANUARY 31, DE MURIAS AND PFLUCKER
OF BRANIFF SAID THEY VIEWED SITUATION WITH SOME PESSIMISM.
THEY WERE STILL IN TOUCH WITH AEROPERU THROUGH DE BAKEY AND
CABIESES, AND MEETING WITH SOTO WAS SET FOR 8:39 MONDAY MORNING
OVER BREAKFAST. (DE MURIAS SUBSEQUENTLY TOLD EMBOFF HE WAS
UNCERTAIN THIS MEETING WOULD IN FACT TAKE PLACE.) HOWEVER,
SOTO'S REMARKS (REFTEL) WERE NOT ENCOURAGING. EVEN IF
MEANT ONLY FOR THE RECORD AND TO PRESENT AGREEMENT WITH
BRANIFF AS VICTORY FOR PERU, SOTO HAD GONE SO FAR THAT
HE MAY HAVE PAINTED HIMSELF INTO CORNER. SETTLEMENT ENVISIONED
(STATE 019996) WOULD HAVE TO BE PLACED IN EFFECT VERY
QUIETLY AFTER ALL THE TRUMPETING ABOUT CUTTING FRANIFF
BACK TO SIXTEEN FLIGHTS AND STRICT PARITY FOR AEROPEUR.
DE MURIAS ADDED THAT, IF AEROPERU/GOP DO NOT MOVE FROM
RESTRICTIONS IMPOSED ON BRANIFF, BRANIFF REMAINS FIRM THAT
ACTION SHOULD BE TAKEN BY USG AGAINST AEROPERU.

4. COMMENT: IF PERUANS ARE BLUFFING, THEY ARE CARRYING
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THE PLAY OF THIS PARTICULAR POKER HAND TO VERY LAST MINUTE.
(AMONG OTHER THINGS, BRANIFF REPORTS COMMENT BY TWO LOW
LEVEL AEROPERU/GOP OFFICIALS TO EFFECT THAT IF CAB MOVES
AGAINST AEROPERU, GOP WILL BREAK RELATIONS WITH U.S.) WE
ARE INCLINED TO THINK AT THIS POINT THAT POLITICS AND REVOLUTIONARY
FERVOR HAVE TRIUMPHED OVER PRAGMATISM AND THAT GOP BELIEVES
THAT IT CAN MANAGE DOMESTIC OPINION AND RALLY HEMISPHERE
SUPPORT (QUITO 0756) TO DEGREE THAT IT CAN AFFORD CONFRONT

U.S. ON THIS ISSUE. "LA PRENSA" EDITORIAL QUOTED ABOVE
IS PROBABLY REPRESENTATIVE OF LINE GOP WILL TAKE WHEN
CONFRONTATION OCCURS. DEAN UNQUOTE KISSINGER

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